

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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## WAGE, PRICE PROBLEMS ARE STILL IN DISCUSSION STAGE

Congress and Administration Dispute  
Subsidies and Establishment  
Of Single Food Control

While there was much discussion during the past week on the problems of the food industry and trade, little progress was made toward a definite or satisfactory solution of these problems.

On Monday a group of Senators and Representatives conferred with the President on the situation, and on Tuesday members of the House Committee on Agriculture consulted with him. From these conferences came statements of the President's advocacy of the use of subsidies to hold the line on food prices, and his disapproval of plans proposed to him for centralizing the food control program in a single agency.

On the other hand, numerous members of the Senate and House went on record, either by press statement or speeches, in opposition to subsidies and in favor of placing food control entirely in the War Food Administration under Chester C. Davis. On Wednesday the House began consideration of the appropriation bill through which funds for the subsidy program would have to be provided. Indications pointed toward extended debate on the subsidy policy.

The statement issued by Judge Fred M. Vinson on June 11, and mailed to canners with last week's *INFORMATION LETTER*, was expected to be followed promptly by a formal directive furnishing definite information on the plan announced in the press statement, but the formal authorization and instructions, which were embodied in identical letters sent by Judge Vinson to Administrator Davis of the War Food Administration and Administrator Brown of the Office of Price Administration, were not made public until Friday. The press release appears on page 7723 and the letter on page 7725.

Both the press statement and letter of instructions stated that a method of calculating the additional processing costs resulting from the increased wage rates would be worked out in consultation with the industry, and the War Food Administration stated on Friday that the personnel of this committee,

which would include both canners and freezers of vegetables, will be promptly selected.

On Monday, the War Labor Board sent a telegram to the regional directors stating:

"The Director of Economic Stabilization has authorized regional boards to authorize employers to put into effect increases for cannery workers without his advance approval provided such increases do not exceed ten cents and provided that employers understand that in making the increases they will be subject to the Economic Stabilization Director's statement of June 11, 1943."

This telegram authorizes the Regional Directors to approve applications that canners may have made individually, or through groups, to increase wages within the limitations specified, but it does not authorize canners to make such wage increases without first making application to the appropriate Regional Board.

It is understood that the National War Labor Board will soon send instructions to the Regional Directors regarding requests to authorize wage increases in excess of ten cents an hour, by which Regional Directors may approve immediate increases of ten cents and then refer the question of increase above that amount to the National Board for reference to and action by the Director of Economic Stabilization.

On Tuesday President Lindsey of the National Canners Association addressed

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## CEILING PRICES ARE SET FOR SIX FROZEN PRODUCTS

Asparagus, Snap Beans, Corn, Spinach,  
Peas, Strawberries Covered  
In New Regulation

Packers' and primary distributors' maximum prices for asparagus, snap beans, corn, spinach, peas, and strawberries became effective June 16 under terms of the Office of Price Administration's Maximum Price Regulation No. 400.

Processors' ceiling prices for a number of other frozen fruits and vegetables will be included in the regulation when sufficient information for the purpose has been gathered and studied, OPA said. They will include raspberries, blueberries, peaches, plums, grapes, cherries, lima beans, brussels sprouts and a number of other fruits and vegetables.

Frozen products not covered by specific increases or flat ceiling prices in the new regulation will continue for the present to be priced under MPR 207. When ceilings are set in the new regulation for any of them, they will become subject to the new regulation together with the six products priced under Order 400. Wholesale and retail prices continue to be covered by separate regulations.

The prices are based on maximum prices established for the 1942 pack adjusted for differences in raw material costs. No specific allowance is made for increases in labor and other

(Continued on page 7726)

## FOOD RATIONING ADOPTS MODIFIED PRO RATA DELIVERY

Canners have, for many years, followed the practice of making pro rata deliveries to their customers in years of short packs; that is, a type of rationing policy has been used by canners for many years when there was not enough canned foods to go around.

Now that the Government's Food Rationing Branch has taken over the job of controlling the distribution of canned foods, it is interesting to note that insofar as the relationship of canners to distributors is concerned the Branch has adopted a plan of control similar to that normally used by canners. There is, however, one difference.

Canners' deliveries in years of short packs are usually pro rated to buyers on a basis of the relative amount handled by each buyer in previous years. This policy gives each buyer an equitable share of the short supply.

Prorating on the basis of previous years experience assumes that sales to retailers and consumers for the current year will tend to follow the same general pattern as in former years. Under the Government's Rationing Program, the historical sales pattern of canned foods is materially changed because, under it each consumer is allowed to buy a quantity of canned

foods limited by his allotment of blue stamp coupons. Formerly, the only limit to the consumer's purchase of canned foods was her willingness to pay the price charged.

At the time canners begin shipping their 1943 pack, the Rationing Program will have been in effect six months or less. Thus the basis for prorating deliveries to their customers will not have been established for the entire year. Each canner, therefore, may need to make some modifications in his pro rata delivery program. The Food Rationing Branch has offered some suggestions along this line, in the following letter addressed to canners' sales managers by K. E. Stauffer, Chief of the Branch:

"Rationing regulations have been designed to permit a maximum amount of freedom in your sales program. However, changes have occurred in the consumption pattern due to (1) shifts in population, and (2) rationing.

"Recognition of these changes is of vital importance to yourself and to the successful distribution of processed foods during the wartime emergency. Some buyers have points to purchase as much, or more, processed foods than they used last year. Others will not have sufficient points to purchase and use as much as last year.

"Caution should be exercised in allotting processed foods *solely* on the basis of last year's use. Some canners are planning to include in their sales contracts a clause providing for reappraisal of the contracts the first of January. These will be adjusted on the basis of each customer's actual experience under rationing to that time. This will reduce the possibility of having merchandise under contract which the buyer will be unable to accept because of insufficient points.

"Sufficient flexibility in your sales program to assure complete movement of your 1943 pack will avoid serious maldistribution which might otherwise occur. It will also reduce the possibility of individual canners carrying over some of their 1943 pack.

"We have no desire or intention of regulating individual canners' sales policy, but are giving you this word of caution so that you may avoid difficulties that otherwise might not be apparent."

### ODT Truck Provisions Eased

Truck operators have been relieved of the provisions of the Office of Defense Transportation's General Order 21, which required them to sign receipts for gasoline, parts, tires or tubes and to endorse the receipts with their Certificate of War Necessity number. The action was taken in Amendment 7 to Order 21.

### LAP-END STANDARDIZATION

#### Left-hand Edge of Glass Package Label Recommended for Lap Position

The Label Manufacturers National Association has recommended that packers adopt a standard practice for wrap around labels for glass containers of using the left-hand edge of the label as the underlap.

In a recent bulletin LMNA stated that the increased use of glass jars has directed attention to the need for standard practice in the location of the underlap on the wrap around type of jar labels. A survey by four leading manufacturers of labeling machines—Standard-Knapp Corporation, Westminster Machine Works, the New-Way Canning Machines Co., and the Burt Machine Company—is basis for agreement that the left-hand end is the proper place for the lap. Left-hand means at your left as you read the label before you. For example:

LEFT-  
HAND  
LAP

SEMPO BRAND  
TOMATOES

A savings in cost will result, according to the LMNA statement, if label manufacturers will standardize on the manufacture of left-hand laps. The lap section should be free from ink and varnish, in order to obtain best results.

### Bulletins on Pea Growing

The Association's Raw Products Bureau reports the receipt of the following publications from agricultural experiment stations, discussing problems in connection with growing peas. The Bureau does not have copies of these publications for distribution to members, but in most cases the circulars and bulletins mentioned may be obtained upon request, if canners direct their letters to the respective stations publishing them.

Pea Diseases in Wisconsin in 1942, Res. Bul. 145, Wisc. Agric. Exp. Sta., Madison.

Pea Aphid Studies in Maryland, Bul. A-24, Md. Agric. Exp. Sta., College Park.

Recommendations for the Growing of Canning Crops in 1943, Spec. Bul. Mar., 1943, Wisc. Agric. Exp. Sta., Madison.

New Pea Varieties Compared for Yield and Plant Characters, Farm Research, Jan. 1943, N. Y. State Agric. Exp. Sta., Geneva.

### Bulletin on Labor Placement

The constantly increasing use of women in fields in which they have had no previous experience makes imperative a planned, efficient system of personnel administration, it is pointed out in a special bulletin issued June 15 by the Women's Bureau of the Department of Labor.

The bulletin, "Choosing Women for War-Industry Jobs," advises a thorough-going job analysis as the first step in a placement process. The selection problem centers mainly around the task of matching the individual woman, with her peculiar characteristics of strength, size, aptitudes, and temperament, to the established job in the plant, it is pointed out.

Copies are available from the Superintendent of Documents, Government Printing Office, Washington, D. C., for five cents.

### Inter-leasing of Trucks

A procedure to be used by truck operators in leasing their vehicles to one another was announced by the Office of Defense Transportation June 16.

By following the procedure, private and contract motor carriers may lease their vehicles for return loads without violation of Interstate Commerce Commission regulations.

Backbone of the procedure is a trip lease form which must be filled in by the lessor and lessee and a copy sent to the ODT.

The procedure provides not only for the details of the vehicle leasing and responsibilities, but also for the use of the vehicle's driver and helper without the necessity of transferring the two men to the lessee's payroll.

Under the ODT procedure, the lessee of a truck must have complete direction and control of the vehicle, and must assume full responsibility to the public, shippers and consignees.

In addition, the truck, while leased, must display on both sides the name and address of the lessee preceded by the words "Operated By." If the carrier is a certificated or licensed carrier, the certificate or permit number must also be displayed on both sides.

The procedure was set forth in Amendment 4 to Order 17.

## HOUSE STRIKES AT OPA POLICIES

### War Agency Appropriation Bill as Adopted Places Ban on Use of OPA Funds for Formulating or Administering Subsidy and Grade Labeling Programs

Dissatisfaction of the House of Representatives with the policies and methods of the Office of Price Administration culminated Friday night in a 10-hour session at which the House passed the bill appropriating funds for government war agencies, including the Office of Price Administration, with amendments which —

1. Reduce the appropriation for the OPA from the \$165,000,000 recommended by the Appropriations Committee to \$130,000,000.
2. Ban the payment of salaries or expenses for any OPA employees involved in a subsidy program.
3. Forbid OPA to use any of the funds for rollbacks on foods which have not reached parity prices or on non-necessary commodities.
4. Require all OPA officials formulating price policies, except Administrator Brown, to have at least five years of actual business experience in the particular field to which the price policy applies.
5. Forbid the use of any funds for the promulgation or enforcement of orders requiring grade labeling or standardization of food products, wearing apparel, or other processed or manufactured commodities or articles.
6. Made amendments to the bill restating the limitations on the establishment of price ceilings on agricultural commodities contained in the original act and the amendments of October 2, 1942.

The House also amended the proposed appropriation for the Office of War Information by denying funds for its domestic branch.

The bill now goes to the Senate for action.





WLB INSTRUCTIONS TO REGIONAL BOARDS ON CANNERY

WAGE INCREASES EXCEEDING TEN CENTS AN HOUR

Following is the text of the telegram sent Friday night, June 18, by L. K. Garrison, Executive Director of the War Labor Board, to its twelve regional divisions:

Retel June 14 following procedure has been adopted as result of conference with Judge Vinson and OPA for expediting Washington consideration on wage increases for cannery workers exceeding 10 cents an hour in price or subsidy relief cases. Necessary clearance will be obtained by Wage Stabilization Division in Washington with maximum speed possible. Such cases should be forwarded to this office immediately upon approval with full information on following points:

1. Statement explaining emergency circumstances justifying immediate action.
2. Complete case file.
3. Full wage data, including farm wage rates and common labor brackets forming basis of decision.
4. Present wage rates and approved rates for each occupation.
5. Number or percentage of employees in each occupation peak payroll period 1942 season or estimate peak present season.
6. Any information available on company's financial condition and ability to absorb cost of increase. These items are called for by OPA. Same procedure applies for cases involving packers of fresh fruits and vegetables.

As per previous wire employers may with your approval immediately effectuate increases up to 10 cents taking their chances on price or subsidy relief.



### Text of Judge Vinson's June 11 Press Statement

The Director of Economic Stabilization announced today a series of steps which will be taken by various governmental agencies to insure an adequate supply of processed vegetables. The program which was announced will maintain fair and equitable returns for the canning industry, at the same time preventing increases in the consumer prices of essential cost of living items. These items are green peas, snap beans, sweet corn, canned tomatoes and other primary tomato products.

The Director's instructions, issued to the War Food Administration, the Office of Price Administration and the National War Labor Board are as follows:

1. No increases shall be made in the ceiling prices of canners for sales of these four products to the civilian trade.

2. Ceiling prices shall be established for sales to government agencies that will reflect the current costs of raw materials and processing and these ceilings shall be adjusted to the extent necessitated by subsequently approved wage increases.

3. The Commodity Credit Corporation will carry out its purchase and resale program in accordance with the agreement entered into with the processing industry with respect to the pack for civilian consumption.

4. Under the hardship clause of the contracts of Commodity Credit Corporation, the Corporation will absorb that portion of the additional processing

cost, represented by approved increased wage rates, necessary to permit individual processors to obtain net returns from their 1943 operations in line with the average net return for the industry during representative pre-war years. A detailed method for arriving at such determination will be worked out by the Corporation after a consultation with the industry. The method will be subject to the approval of the Director of Economic Stabilization. Payments under this clause will be made at the close of the packing season as soon as the facts are available.

5. For minor vegetables, which are not essential cost of living items, approved increased raw material cost and approved wage rate increases will, where necessary to assure to the processors the margins required by law, be reflected in higher ceiling prices.

Today's determination is in accordance with the President's "Hold the Line" order of April 8, 1943. Prior to that time it had been announced that ceiling prices for all processed vegetables would be adjusted to compensate for approved wage rate increases. This previously announced policy would result in higher consumer prices for essential cost of living items—a result inconsistent with the "Hold the Line" program.

Under the present policy, ceiling prices charged by processors previously announced by the Office of Price Administration for these essential items will remain in effect.

### Text of President Lindsey's Letter to Judge Vinson

"On June 11th last, the Office of War Information issued a press release setting forth an announcement by you of a series of contemplated steps to be taken by various governmental agencies to insure an adequate supply of processed vegetables."

"Inasmuch as the announced program apparently singles out the vegetable processing industry for discriminatory treatment and will probably contribute further to the minimization of production during the current year, I feel constrained on behalf of the canning industry to write both to protest this announced program and respectfully to lodge with the Office of Economic Stabilization the responsibility for the results which may flow from its being carried out.

"In this announcement, it is stated that, contrary to prior announcements, there will be no increases in the price ceilings of the four principal canned vegetables packed in 1943 and sold to the civilian trade, but that after the pack is completed individual canners may apply for relief under the 'hardship

clause' of the contract with the Commodity Credit Corporation covering the raw materials. Presumably, some type of discretionary relief is to be granted, but neither the amount nor the time of payment is specified. It is also stated that at some time in the future, the ceiling prices for sales to the Army and Lend-lease will be established to reflect current costs of raw materials and processing and that the same procedure will be followed for what are called 'minor vegetables.' The announcement in no way mentions canned fruits, and only collaterally refers to the pending applications for increased wage rates necessary for the processing of the 1943 pack.

"The history of the administrative bafflement and frustration of production planning was recited at the conference which you were good enough to accord to representatives of the canning industry on Saturday, June 5th last. Well known to all is the series of events leading up to the present critical situation: The industry's abandonment of its January, 1943, annual convention in

order that there could be held in December, 1942, a processors conference to receive the Government's plans and policies for 1943 so that the industry could plan adequately and in sufficient time for the maximum 1943 production; the failure of the respective administrative agencies to provide any information at this December meeting, to which more than 2,000 processors sent representatives; the announcement of January, 1943, by the Department of Agriculture, of required minimum support prices to be paid to growers of the four principal canned vegetables, at increases over 1942 averaging 35 per cent or more, coupled with the inability or refusal of the Office of Price Administration to issue ceiling prices covering the 1943 pack; the preoccupation of that agency with collateral reform measures having to do with grade labeling and a new regional method of flat pricing; the belated issuance in April, 1943—only after Congressional intervention—of ceiling prices for the four principal vegetables, which prices excluded both the governmentally required raw material increases and the necessary labor increases, coupled with a contract offer late in May by the Commodity Credit Corporation to take care only of the raw material increases and only on that part of the 1943 pack not sold to the Government. Particularly drastic in its effect upon production has been the incredible delay in the approval of requested reasonable increases in wages, without which foods cannot be processed and application for which have been pending in many cases for several months.

"As pointed out to you at the recent conference, had this confusion and uncertainty confronted the industry in a year of prospective abundant crops, the impediments to production would have, of themselves, been formidable. But in view of the serious curtailment of many crops through adverse weather conditions, and the unlikelihood of even the finest growing conditions making up these losses, the effect of these governmentally imposed delays and uncertainties upon the production of the 2,800 canners in the United States is a matter of grave concern to those who feel a sense of responsibility for the processing of these vitally needed foods.

"The announcement refers only collaterally to the approval of necessary wage increases. This, however, is the most vital of all the problems, and it is imperative that the applications for authorization to pay increased wages, which have in most cases been granted by the Regional War Labor Boards, be immediately approved. It is likewise essential that the authorizations given cover not only the rates for common labor, but also realistically permit the wages of the key men in these processing plants to be raised commensurately. Unless this is done and done quickly, the loss of production will be irreparable.

"Assuming that these necessary wage increases will be approved before it is

wholly too late, there remains the problem of reflecting the resulting increased costs in the 1943 ceiling prices. It is to this question that the announcement seems primarily to be directed.

"The proposed solution offered will not dissipate the fog of uncertainty and confusion now confronting the industry. Indeed, there is considerable reason to believe that it may, in and of itself, serve further to impede production.

"In the first place, this announcement has been widely heralded in the press as a 'subsidy.' It is, of course, no such thing. As stated to you the canning industry is not in favor of subsidies. But where the national interest dictates the use of a subsidy program, the processor should not be required to absorb increased costs, finance the season's production, sell at prices which admittedly do not reflect such increased costs, and be left to rely on a future application for relief. Measured against what has been done in other cases, against the hazards of the canning industry, and against the vital need for canned fruits and vegetables, this program is both discriminatory and destructive. In every case to date the amount of any subsidy and the certainty of its payment have both been clearly stated. The arrangement provided for in your announcement contemplates only that at the end of the packing season a canner who finds that he has lost substantial sums of money may file a 'hardship' application for some type of administrative grant from the Commodity Credit Corporation. The amount of this possible administrative relief is not stated. Whether it will be paid is a matter, not of contract, but of future administrative discretion.

"In the meantime, the canner is asked to pay the increased wages, to finance the pack of vegetables at increased raw material costs, to sell and ship for civilian consumption—all in the hope that 'at the close of the packing season,' there will be worked out 'a detailed method for arriving' at the amount which may be paid to him at some unspecified time in the future.

"Calling this proposal for a discretionary future government restitution of losses a 'subsidy,' is clearly, a misnomer. But more than this, it singles out the canning industry for discriminatory treatment. That industry, whose production is vital to the total war effort, is asked to incur all of these advanced costs, in the hope of some future governmental relief. By way of contrast, it might be pointed out that the so-called rollback on butter affords to each manufacturer a payment of 5¢ per pound for butter manufactured after June 1, 1943, irrespective of any hardship or financial condition of the processor. So far as we know, so does every subsidy program even in non-seasonal industries. Indeed, we know of no arrangement made by the Federal Government with any other industry which leaves it solely to the discretion of some future incumbent of an administrative office to determine, in his sole discre-

tion, what amounts may be paid to cover operating losses.

"Yet even this nebulous arrangement covers only a portion of the 1943 pack, that destined for civilian consumption. Your announcement further provides that ceiling prices for sales to government agencies will reflect the current costs of raw materials and processing. Of course, such ceiling prices have not yet been announced. If the experience of the past seven months of strenuous effort to get OPA action is to be taken as an index of what may occur, the industry is thus presented with a situation where, at the threshold of its active operations, it still does not know the price on very substantial portions of its 1943 production.

"It is likewise stated that on what are denominated 'minor vegetables,' raw material costs and increased wage rates will also be reflected in higher ceiling prices. Of course, all of these 'minor vegetables' are in such short supply as to warrant their being put under ration control. Here, again, no OPA ceiling prices have been issued. Indeed, in the case of certain of these 'minor vegetables,' particularly asparagus, the spring packs have been completed, ceiling prices are as yet unavailable, and the goods are still backed up in the warehouses. In many cases administrative delay in approving necessary wage increases has resulted in the loss of considerable tonnages of raw material. Likewise, no prices have been issued on the primary tomato products or on any of the products made from the four principal vegetables.

"Nowhere in this announcement is there any discussion of what is to be done with respect to the canning or other processing of fruits. In many areas packing of fruits, particularly cherries, has begun or will shortly begin. Minimum grower prices for the raw material have not been specified for important fruits for canning. Ceiling prices have not yet been announced for any 1943 canned fruits except citrus. In short, the canners of approximately eighty-five million cases of fruits other than citrus, are without any information.

"Finally, the announcement of June 11th does not in any way touch the basic problem of flat regional pricing. This method, put into effect on the four principal vegetables, not only constitutes a radically and wholly unnecessary departure from the 1942 pricing methods; it also penalizes the efficient, high quality canner and affords in many instances a premium to the packer of poor quality goods. It levels off, without any regard to differences in raw material or labor costs or efficiency, whole groups of States producing a particular vegetable, to provide a flat f.o.b. factory price throughout the price region. Coupled with the averaging method used in the Commodity Credit Corporation offer, it can serve only to depress the quality and in all likelihood the volume of production of these vegetables.

"In these circumstances, the ability of the canning industry to proceed with any degree of certainty in its primary job of achieving maximum production in 1943 is open to serious question. Those canners who are under-financed, which includes the bulk in number, can hardly be expected to secure adequate financing of a pack which they may be compelled to sell and ship below the cost of production in the expectation of some future discretionary Government relief. Concentration upon production will have to be matched, if not exceeded, by concentration on securing the accounting and fiscal proof which will undoubtedly be demanded to support a relief application. Those who pack beyond the reserved requirements of the armed services will do so largely in the hope and faith of a future charitable administrative view of their survival.

"Government provision for the growing of canning crops, through the specification of a minimum price to growers, has been undertaken. Arrangements through draft deferment for farm labor and other means have been made for the harvesting of these crops. Moreover, current proposals are being made for the guarantee to the grower of a minimum return on acreage despite adverse weather conditions. Yet harvested crops not processed cannot be carried from season to season, and cannot be made available for military and civilian needs. Payments to growers and exhortations to harvesting labor are futile unless the resulting crops are in fact canned. The canning industry necessarily runs the hazards of weather and volume. It should not, and cannot if it is to do its job, be required to finance both increased raw material and labor costs not only at its own risk, but without any reasonably certain possibility of coming out whole. Normally, a hazard on one commodity may be balanced by a good return on another. Under the program announced, however, even a return of cost on a single commodity may be precluded and losses on others left to action on a 'relief' application.'

"As to government sales if the contemplated ceiling prices for government purchase—when and as they are announced in the future—do not adequately reflect increased processing costs, it is clear that no provision has been made to cover losses on this part of the pack. The Commodity Credit Corporation offer does not include such direct production for the Government—either as to required raw material increases or higher wage rates. On this part of the pack, if the yet unannounced ceiling is too closely determined as against the crop, there is no hope whatever of any future recoupment of losses.

"I am confident that, despite all of these difficulties, each individual canner will endeavor to pack his quota for the requirements of the armed services. How far beyond this point the members of the industry can venture to go, particularly if adverse weather



conditions make for short yields and consequently higher unit costs, no one can foretell with certainty. One thing, however, is clear. The responsibility for 1943 production has been taken out of the hands of the indus-

try. It has been assumed by those who have formulated, and who, it is hoped, will soon issue the further necessary directives to implement the program set forth in your announcement of June 11th."

### Text of Vinson Letter to OPA and CCC Administrators

This is to authorize and direct you to carry out the revised program for canned and frozen vegetables as announced in the accompanying press release.

In carrying out this program the Office of Price Administration is authorized and directed:

1. To maintain the civilian price ceilings at the processors' level, which have already been announced, for the 1943 pack of canned green peas, snap beans, sweet corn, and tomatoes, and to establish comparable ceiling prices for other primary tomato products and frozen green peas, snap beans, and sweet corn;

2. To establish ceiling prices for the 1943 civilian pack of vegetables other than green peas, snap beans, sweet corn, and tomatoes in which allowance shall be made for the current costs of raw materials and processing, including growers' support prices announced by the War Food Administration and wage increases approved by the War Labor Board;

3. To establish ceiling prices for the 1943 pack of canned and frozen vegetables for purchase by governmental agencies, which will make full allowance for the current costs of raw materials and processing including growers' support prices announced by the War Food Administration and wages approved by the War Labor Board.

4. To place under effective control the producer prices for raw vegetables.

The Commodity Credit Corporation is authorized and directed:

1. To carry out its purchase and resale program for green peas, snap beans, sweet corn, and tomatoes, in accordance with its offer to the processing industry with respect to the pack for civilian consumption; and

2. With respect to these four vegetables, to absorb that portion of the additional processing cost represented by increased wage rates approved by the War Labor Board which is necessary to permit individual processors to obtain net returns from their 1943 operations in line with the average net returns for the industry in representative pre-war years. These additional costs will be absorbed under the hardship clause of the offer of Commodity Credit Corporation to the processing industry and will be calculated by methods to be worked out after consultation with the industry and approved by the Director of Economic Stabilization.

### Wage Raises Required By State Law May Be Approved

Wage or salary increases made in compliance with a State minimum wage law or order may be made effective when issued by the National War Labor Board or one of its agencies even though prices or rates may be affected, the Board announced June 17.

The Board said it was informed by Judge Fred M. Vinson, Director of Economic Stabilization, that he would approve such increases when they were approved by the NWLB or one of its duly authorized agencies.

Previously, if it was indicated that prices and rates might be affected, the increases were not put into effect until they were referred to the Office of Price Administration or the Director of Economic Stabilization.

The text of the letter from Director Vinson to Board Chairman George W. Taylor follows:

"After consideration of the matter described in your letter of June 4, 1943, relating to wage increases, made in compliance with State minimum wage laws or orders which may affect prices or rates, I advise you that as Director of Economic Stabilization, I shall approve any wage or salary increase made in compliance with a State minimum wage law or order when such wage or salary increase has been approved by the National War Labor Board or one of its duly authorized agencies."

### Tin Scrap Control Placed In WPB Salvage Division

The movement of tinned and detinned scrap, including used tin cans, was placed under the control of the Salvage Division, War Production Board, June 16, with the issuance of Order M-325. Simultaneously Order M-72-a, formerly administered by the Tin-Lead Division, was revoked.

The new order is substantially the same as Order M-72-a, which it replaces. With slight exceptions, the order will require the delivery of all tinned scrap either to detinning or shredding plants, or plants engaged in the precipitation of copper from mine waters.

Specifically, the order will:

1. Permit other persons to acquire used tin cans under such terms and conditions as may be imposed by WPB. Application for such permission shall be made on Form WPB-2825, or on such other form as may be specified.

2. Continue the provisions of M-72-a, requiring the collection of segregated tin cans by municipalities and other rubbish collectors in certain designated areas.

New definitions appear in the order for, (1) Flat Tinned Scrap and (2) Official Salvage Committee. Also, the definition of "Tinned Scrap" is changed so as to exclude "crown or screw caps or similar closures for tin cans or other containers."

The delivery of flat tinned scrap is restricted except when delivery is made to a detinning plant, a plant engaged in the precipitation of copper, or an Official Salvage Committee for the account of a detinning plant or a plant engaged in the precipitation of copper. The Salvage Committee enters the new order as an officially recognized limited receiver not only of flat tinned scrap, but also of tin plate clippings and used tin cans.

### 1942 Pack of Pimientos is Announced

The pack of canned pimientos in 1942 amounted to 646,182 actual cases, according to figures compiled by the As-

sociation's Division of Statistics. The following table presents the detail of this pack by can sizes and States:

Size	Georgia Cases	California Cases	Other States Cases	Total Cases
3½ (24 to the case).....	83,363	10,500	310	94,073
7Z (48 to the case).....	23,944	8,561	8,051	40,556
4Z tall (48 to the case).....	55,527	.....	1,635	57,162
4Z flat (48 to the case).....	49,891	18,539	273	68,703
10 (6 to the case).....	5,523	.....	200	5,723
Miscellaneous tin.....	23,742	.....	5,100	28,842
14Z glass (48 to the case).....	14,514	.....	.....	14,514
2Z glass (48 to the case).....	240,940	30,483	.....	271,423
4Z glass (48 to the case).....	48,047	3,509	.....	51,547
Miscellaneous glass.....	9,869	.....	3,770	13,639
Total.....	555,260	71,583	19,339	646,182

## CEILING PRICES ARE SET FOR SIX FROZEN PRODUCTS

(Continued from page 7721)

miscellaneous costs and the "permitted increase for miscellaneous costs" is set for the time being at zero. Studies to determine the exact amount of these increases and of the general ability of the industry to absorb them continue. So far as snap beans, corn and peas are concerned, properly authorized labor increases will be included in the subsidy program of Commodity Credit Corporation. Text of the regulation follows:

### Maximum Price Regulation 409

*Section 1341.302 Maximum prices for packers and certain other sellers of frozen fruits, berries and vegetables (1943 pack and after).*

Under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942 as amended, and Executive Orders Nos. 9250 and 9328, Maximum Price Regulation No. 409 (Frozen Fruits, Berries and Vegetables (1943 pack and after)), which is annexed hereto and made a part hereof, is hereby issued.

### ARTICLE I—EXPLANATION OF THE REGULATION

#### Section 1 Explanation of the regulation.

The purpose of this regulation is to establish maximum prices for frozen fruits, berries and vegetables, packed after the 1942 pack, in sales by persons other than wholesalers and retailers (wagon wholesalers, however, are included). To this extent, the regulation supersedes Maximum Price Regulations Nos. 207 and 255. (The "1942 pack" of any product means the pack of which the major portion was frozen and packed during the calendar year 1942.) Prices established by this regulation are in effect from June 16, 1943.

Maximum prices for the wholesalers and retailers (but not wagon wholesalers) of frozen fruits, berries and vegetables are governed by separate regulations which set fixed margins for these distributors according to their size and manner of doing business. "Wholesaler" and "retailer" mean the persons respectively referred to as "wholesalers" and "retailers" in those regulations, except that in this regulation wagon wholesalers are treated as a distinct type of distributor.

### ARTICLE II—PRICES AND PRICING METHODS

#### Section 2 List of maximum prices which packers may charge for frozen fruits, berries and vegetables packed and frozen in barrels.

The maximum prices per pound, carload basis f.o.b. shipping point, which packers may charge for frozen fruits, berries and vegetables packed and

frozen in barrels after the 1942 pack shall be:

Variety	Sugar basis	Maximum price per pound Cents
Strawberries (Ettersburg variety)	3 + 1	17½
	3 + 1 sortouts	15¾
	4 + 1	18¼
	4 + 1 sortouts	16¼
	5 + 1	18¾
	Straight	19¾
Strawberries (Other varieties)	3 + 1	16¼
	3 + 1 sortouts	14¾
	4 + 1	16¾
	4 + 1 sortouts	14¾
	5 + 1	17¼
	Straight	17¾

Other products named in this section, for which maximum prices are to be announced are: Apricots, red, sour and sweet cherries, plums, blackberries, blueberries, boysenberries, cranberries, dewberries, elderberries, gooseberries, grapes, huckleberries, johnsonberries, loganberries, olympic berries, peaches, plums, black and red raspberries, rhubarb and youngberries.

When a packer sells an item on a "no-storage" basis, that is, at a price which includes only the first month's storage, his maximum price shall be reduced by ¼¢ per pound.

Barreled products which are not listed or for which no maximum price is provided continue to be subject to Maximum Price Regulation No. 207.

*Sec. 3 Maximum prices which packers may charge for frozen fruits, berries and vegetables packed and frozen in containers other than barrels.*

(a) *General pricing method.* The packer shall figure a maximum price per dozen or other unit, f.o.b. shipping point, for each separate kind, grade, style of pack, container type and size of frozen fruits, berries, and vegetables packed and frozen, after the 1942 pack, in containers other than barrels. The maximum price for such an item, including all storage, shall be figured by adding together his base price and his permitted increase for miscellaneous costs.

(b) *Base price.* The packer's base price in each case shall be his maximum price, f.o.b. factory, for the item under Maximum Price Regulation No. 207, after it has been adjusted for raw material costs. However, no maximum price authorized under Section 1341.302

(d) for the 1943 pack of any item may be used. (If the packer sold or delivered none of the item between August 24, 1942, and June 16, 1943, his base price shall be the maximum price, adjusted for raw material costs, which he would have figured for the item if Maximum Price Regulation No. 207 had been effective January 1, 1942.) Adjustments for raw material costs shall be made as follows:

(1) *Adjustment for commodities included in the Commodity Credit Corporation's raw materials program.* In the case of commodities included in the Commodity Credit Corporation's raw materials program the packer shall adjust for raw material costs in each case, as follows: First, he shall deter-

mine the weighted average cost for raw materials used in the 1942 pack of the product which he figured under Section 1341.202 (b) (2) of Maximum Price Regulation No. 207. If this figure is less than the price at which the Commodity Credit Corporation will resell the raw product to packers in that area, after these figures have been converted to cents per dozen or other unit of the finished product, the difference between them shall be added to the maximum price for the item under Maximum Price Regulation No. 207. If this figure is greater than that resale price, after conversion to a finished product basis, the difference between them shall be subtracted from the maximum price for the item under Maximum Price Regulation No. 207. The figure resulting from this addition or subtraction is the packer's base price in sales to purchasers other than United States agencies. (In figuring base prices in sales to United States agencies, the packer shall use the Commodity Credit Corporation's purchase price for the area in which the packer received delivery of the raw materials, instead of the resale price, when making the foregoing calculations.) Commodities included in the Commodity Credit Corporation's program include: Snap beans, corn, peas.

Purchase and resale prices under the Commodity Credit Corporation's raw materials program are published by the Department of Agriculture and may be obtained from its local State War Boards.

(2) *Adjustment for commodities not included in the Commodity Credit Corporation's raw materials program.* In the case of the following commodities, the packer shall adjust for raw material costs in each case by adding to his maximum price for the item under Maximum Price Regulation No. 207 the appropriate figure named in the following table (after conversion to cents per unit of the finished product).

Variety	Cents per pound (raw weight)
Asparagus.....	1
Spinach.....	0
Other varieties.....	(to be announced)

In the case of the following commodities, the packer shall adjust for raw materials by subtracting the weighted average cost for raw materials used in the 1942 pack of the product which he figured under Section 1341.202 (b) (2) of Maximum Price Regulation No. 207 from the appropriate figure named in the following table (after conversion to cents per unit of the finished product) and adding the difference so obtained to his maximum price for the item under Maximum Price Regulation No. 207.

Variety	Cents per pound (raw weight)
Strawberries (Ettersburg variety)....	14
Strawberries (Other varieties).....	12
Other varieties.....	(to be announced)

Commodities for which no figure is named continue to be subject to Maximum Price Regulation No. 207.

(c) *Permitted increase for miscellaneous costs.* The packer's permitted increase for labor and other miscellaneous costs shall be 0 (higher figure to be announced if facts justify it).

(d) *Meaning of "packer."* "Packer" means a person who packs and freezes any part of the kind of frozen fruits, berries and vegetables being priced.

(e) *Meaning of "style of pack."* "Style of pack" means the form and sugar basis of the pack.

*Examples:* Frozen sliced strawberries are a different style of pack from frozen whole berries. Frozen whole strawberries on a sugar basis of 3+1 are likewise a different style from frozen whole strawberries on a sugar basis of 4+1.

(f) *Meaning of "container type."* "Container type" refers to the composition or style of the container used (a separate price must be figured for each container type).

*Examples:* Tin, glass and paper containers are all different container types. Likewise, a paper container of one design is a different container type from a paper container of a substantially different design.

(g) *Weights.* Where label weights are used, prices figured by weight shall be based on the weights named on the label and not on actual fill.

(h) *Allocation of costs.* In converting the cost of raw materials, labor, and any other cost factor into cost per dozen or other unit for any kind, grade, style of pack, and container size, the cost shall be allocated in the same proportion as the same cost was allocated to that kind, grade, style of pack, and container size in 1942.

(i) *Adjustment for raw materials in special situations.* Instead of making the adjustment for raw materials ordinarily required by paragraph (b) of this section, a cooperative packer, a packer-grower, or a packer whose maximum price under Maximum Price Regulation No. 207 was obtained from a competitor, shall make the adjustment which his most closely competitive non-cooperative packer is required to make for the item. Normally, the "most closely competitive non-cooperative packer" will be the same competitive packer from whom the packer got his permitted increase for raw materials under Section 1341.202 (b) (2) (iii) of Maximum Price Regulation No. 207 or from whom he got his maximum price under that regulation.

(j) *Items sold on a "no-storage" basis.* When a packer sells an item of quick-frozen fruits, berries or vegetables on a "no-storage" basis, that is, at a price which includes only the first month's storage, his maximum price under paragraph (a) shall be reduced by  $\frac{1}{4}\%$  per pound of the finished product.

(k) *Delivered prices.* Any packer who regularly sold a purchaser an item

covered by this section on a delivered price basis during the calendar year 1942 shall increase the maximum price for the item, figured f.o.b. shipping point under this section, by the amount of the transportation charge per unit for that item which he added to his f.o.b. shipping point price during the period February 1 to March 17, 1942. The resulting price shall be the packer's maximum delivered price for that purchaser.

A packer whose maximum price for an item is on an f.o.b. shipping point basis may establish a uniform maximum delivered price for the item by zone or area, by adding to his f.o.b. shipping point price his weighted average transportation charge from shipping point to purchasers' receiving points. For any zone or area, this "weighted average transportation charge" shall be figured by him as follows: he shall (1) determine the total estimated transportation charges which would have been incurred if the shipments of the item which he made during the one-year period ending May 31, 1943, to purchasers in that zone or area, had been at rates in effect on June 16, 1943, and (2) divide that figure by the total number of pounds or other units of the item included in those shipments. (Where more than one means of transportation is used, averages may be taken separately for each.) The processor shall refigure his weighted average transportation charge at the end of each six months' period on the basis of shipments made during the one-year period immediately preceding the date of calculation and at rates in effect on that date.

(1) *New container types and sizes.* The maximum price per dozen or other unit for an item covered by this section packed in any container type or size which the packer did not sell between January 1, 1942, and June 16, 1943, shall be figured as follows. He shall:

(1) *Determine the base container.* If the packer sold the same product (that is, the same kind, grade and style of pack) between January 1, 1942, and June 16, 1943, but only in other container types or sizes, he shall first determine the most similar container type in which he is able to calculate a maximum price for that product under this regulation (even though he no longer sells that container type). From that container type he shall choose the nearest size which is 50 per cent or less larger than the new size, or if there is no such size, 50 per cent or less smaller (even though he no longer sells those sizes). This will be the "base container." If there is no such smaller size, he shall go to the next most similar container type and proceed in the same manner to find the base container.

*NOTE:* In most cases "the most similar container type" will be merely the container type which the processor is adding to or replacing, like the tin which he may be replacing with paper. Where there has been only a size change, "the most similar container type" will, of course, be the same container type. This is also true in the reverse situa-

tion; where there has been a change only in container type, the "nearest size" will be the same size.

(2) *Find the base price.* The packer shall take as the "base price" his maximum price under this regulation for the product when packed in the base container. However, if this maximum price is a price delivered to the purchaser or to any point other than the packer's shipping point, the packer shall first convert it to a base price f.o.b. shipping point by deducting whatever transportation charges were included in it.

(3) *Deduct the container cost.* Taking his base price f.o.b. shipping point, the packer shall then subtract the direct cost of the base container. "Direct cost of the container" means the net cost, at the packer's plant, of the container, cap, label and proportionate part of the outgoing shipping carton but it does not include costs of filling, closing, labeling or packing.

(4) *Adjust for any difference in contents.* The figure obtained by this deduction shall then be adjusted, in the case of a size change, by dividing it by the number of ounces or other units in the base container and multiplying the result by the number of the same units in the new container.

(5) *Add the new container cost to get the price f.o.b. shipping point.* Next, the packer shall add to the adjusted figure the "direct cost of the container" in the new type and size. If his maximum price for the commodity in the base container is an f.o.b. shipping point price, the resulting figure is the packer's maximum price, f.o.b. shipping point.

(6) *Convert to a maximum delivered price, if the maximum price for the base container is on a delivered basis.* If the packer's maximum price for the product in the base container is a delivered price, he shall figure transportation charges to be added, as follows: The packer shall take the transportation charges which he first deducted to get his base price and adjust them in exact proportion to the difference in shipping weight. If for any reason the product in the new container will move under a different freight tariff classification, the packer shall figure his transportation charges (by the same means of transportation and to the same destination) on the basis of the new shipping weight, but at the rate in effect for that freight tariff classification on March 17, 1942. Increases in tariff rates or transportation taxes made since March 17, 1942, shall not be taken into account. (Similar principles shall apply where shipping volume is the measure of the transportation charge.) The packer shall then add these transportation charges to his f.o.b. shipping point price for the commodity in the new container. The resulting figure is the packer's maximum delivered price.

(m) *Elective pricing method.* If the packer's maximum price for any item covered by this section cannot be determined under the applicable pricing method, the packer may, at his election,



figure his maximum price under the pricing method of this paragraph. Under this paragraph, his maximum price shall be:

(1) His total "direct cost" per dozen or other unit of the item, figured by adding:

(i) The total cost per unit of all ingredients and packaging materials subject to maximum prices established by the Office of Price Administration, at the current maximum prices applying to the class of purchasers to which he belongs, plus

(ii) The cost per unit of every ingredient and packaging material for which no maximum price has been prescribed by the Office of Price Administration, figured at the current market price of the ingredient or packaging material in question, plus

(iii) The direct labor cost per unit figured at the October 3, 1942, wage rates or as adjusted and approved by the War Labor Board, executive order, or other official legal action applying to each class of direct labor employed in the production of the item, plus

(iv) Transportation charges by the usual mode of transportation, if the cost factors used in paragraphs (i) and (ii) above are not delivered costs and if these charges are customarily incurred from his customary supply point to his customary receiving point

(2) Multiplied by a markup percentage, figured by dividing

(i) The maximum price established under the maximum price regulation in effect at the time of the calculation for the most closely comparable commodity produced by him with a cost structure similar to that of the item being priced, by

(ii) His current cost of ingredients, packaging materials and direct labor of that commodity.

As used in this paragraph, "most closely comparable commodity" means a food commodity which is most nearly similar and whose "direct cost" is closest to and in no event less than two-thirds of the "direct cost" of the item being priced, and where similar methods are employed in its sale and merchandising to those which will be used in the sale and merchandising of the item being priced.

As used in this paragraph, "current" means at the time of figuring the price.

(3) The maximum price figured under this paragraph for any item shall not exceed 150 per cent of the cost of ingredients, packaging materials and direct labor.

(4) In deciding whether items of labor cost are to be applied as separate items in figuring the price or are to be treated as overhead, the seller shall follow his customary practice. Thus, if a packer treated cleaning labor as an item of overhead in March, 1942, he must continue to treat it in this way when figuring the maximum price.

(5) The packer shall employ no cost factors in addition to those which he

used with respect to the comparable commodity by which he determined his percentage markup under subparagraph (2) and shall make no changes in the method of application of those factors which would result in a higher price.

#### *Sec. 4 Maximum prices for distributors other than wholesalers and retailers.*

(a) *Primary distributors.* The primary distributor's maximum price for an item of frozen fruits, berries or vegetables shall be determined as follows:

(1) If his supplier's maximum price for it under this regulation is greater than the supplier's maximum price under Maximum Price Regulation No. 207, he shall add the difference to the maximum price which he had as a "wholesaler" under Maximum Price Regulation No. 255.

(2) If his supplier's maximum price for it under this regulation is less than the supplier's maximum price under Maximum Price Regulation No. 207, he shall subtract the difference from the maximum price which he had under Maximum Price Regulation No. 255.

The resulting figure in each case is the primary distributor's maximum price for the item.

If the primary distributor's maximum price for an item cannot be determined in this manner, his maximum price, f.o.b. shipping point, shall be the maximum price of his supplier, f.o.b. shipping point, plus incoming freight paid by him.

A "primary distributor" is a distributor, other than a wholesaler or retailer, who purchases all he sells of the kind of frozen fruits, berries or vegetables being priced and who customarily receives shipment of at least 50 per cent of it in carload lots into a warehouse or other receiving station not owned or controlled by any of his customers, for resale in less than carloads.

(b) *Wagon wholesalers.* Until margins can be announced, the wagon wholesaler's maximum prices shall continue to be those established under Maximum Price Regulation No. 255.

(c) *Distributors who are not primary distributors, wagon wholesalers, wholesalers, or retailers.* The maximum price for an item, f.o.b. shipping point, of a distributor who is not a primary distributor, wagon wholesaler, wholesaler or retailer shall be the maximum price of his supplier, f.o.b. shipping point, plus incoming freight paid by him.

A "distributor" is one who purchases all he sells of the kind of frozen fruits, berries and vegetables being priced and resells it without packing and freezing any part of it.

#### ARTICLE III—GENERAL PROVISIONS

##### *Section 5 Relationship between this regulation and Maximum Price Regulation No. 207 and the General Maximum Price Regulation.*

(a) This regulation supersedes Maximum Price Regulation No. 207 so far as that regulation has applied to frozen fruits, berries and vegetables packed

after the 1942 pack. However, Maximum Price Regulation No. 207 applies to frozen products packed after the 1942 pack, for which maximum prices or permitted increases are not yet provided.

(b) The following sections of the General Maximum Price Regulation, as well as amendments to them, apply to sales covered by this regulation:

(1) Transfers of business or stock in trade (§ 1400.5).

(2) Federal and State taxes (§ 1400.7).

(3) Sales slips and receipts (§ 1400.14).

(4) Definitions (§ 1400.20).

##### *Sec. 6 Geographical applicability.*

This regulation applies only to the forty-eight States of the United States and to the District of Columbia.

##### *Sec. 7 Export and import sales.*

The maximum prices at which a person may export any product covered by this regulation shall be determined in accordance with the Second Revised Maximum Export Price Regulation, and amendments. Sales of fruits, berries and vegetables which have been packed and frozen outside of the geographical area to which this regulation applies are not covered by this regulation except in cases where the goods being priced are located within the area at the time of sale.

##### *Sec. 8 Inability to fix maximum prices.*

If the seller's maximum price for any item cannot be priced under the provisions of the applicable pricing section, and he cannot or elects not to price under Section 3 (m), he shall apply to the Office of Price Administration, Washington, D. C., for a maximum price. His application shall set forth (1) a description in detail of the item for which a maximum price is sought, including its grade and the brand name to be used, if any, the number of packages in each shipping case, and a statement of the facts which make it different from the most similar item for which he has determined a maximum price, identifying the similar item and stating its maximum price; (2) a detailed and itemized current cost breakdown of the item to be priced, showing separately all component cost factors (i.e., raw materials, direct labor, indirect labor, factory overhead, selling, advertising, and administrative cost, and freight if sold on a delivered basis), and the identical current cost breakdown of another commodity which contributes substantially to his total volume of business; (3) the desired selling price for the item, including a statement showing the necessity for the desired selling price, any discounts or allowances which should be made applicable to the desired price, and (for comparison) the maximum selling price, with discounts and allowances, for the second commodity included in clause (2), above; and (4) the method of distribution to be employed by the seller in marketing the new commodity (i.e., whether it is to be sold to wholesalers,



retailers, consumers, or other classes of purchasers).

Until a maximum price is established, the applicant may not sell or deliver the item except under an agreement in each case to adjust the selling price to a figure no higher than the maximum price which is later established under this section.

#### Sec. 9 Adjustable pricing.

Any person may agree to sell at a price which can be increased up to the maximum price in effect at the time of delivery; but no person may, unless authorized by the Office of Price Administration, deliver or agree to deliver at prices to be adjusted upward in accordance with action taken by the Office of Price Administration after delivery. Such authorization may be given when a request for a change in the applicable maximum price is pending, but only if the authorization is necessary to promote distribution or production and if it will not interfere with the purposes of the Emergency Price Control Act of 1942, as amended. The authorization may be given by the Administrator or by any official of the Office of Price Administration to whom the authority to grant such authorization has been delegated. The authorization will be given by order.

#### Sec. 10 Customary discounts and allowances.

No person shall change any customary allowance, discount or other price differential to a purchaser or class of purchasers if the change results in a higher net price to that purchaser or class.

#### Sec. 11 Storage.

Storage on goods owned by the packer may not be added to maximum prices. Packers and primary distributors shall show on the invoice in each case whether the item sold is on a "storage" or "no-storage" basis.

#### Sec. 12 Units of sale and fractions of a cent.

Maximum prices shall be stated in terms of the same general units (like pounds, dozens, etc.) in which the packer has customarily quoted prices for the product. If any figured maximum price includes a fraction of a cent, the packer shall adjust the price to the nearest fractional unit (like 1¢, ½¢, ¼¢, etc.) in which he has customarily quoted prices for the product.

#### Sec. 13 Position of brokers.

In accordance with existing trade custom, every broker taking part in a sale in which the seller is a packer shall be considered as the agent of the seller and not the agent of the buyer. In each case, the amount paid by the buyer to the broker plus the amount paid by the buyer to the seller shall not exceed the seller's maximum price plus allowable transportation actually paid by the seller or by the broker.

#### Sec. 14 When a maximum price figured under Sec. 3 is established.

On and after June 16, 1943, a price figured for any item under Sec. 3 be-

comes "established" (that is, fixed) as the packer's maximum price as soon as he has either filed the price or disclosed it to any prospective customer, whether by sale, delivery, offer, or notice of any kind, provided that the figured price is not higher than the applicable pricing method allows. A maximum price for an item may be established only once, and having been established it may not be changed by the seller except (1) with the written permission of the district or State office of the Office of Price Administration for the area in which he is located in cases where the packer has figured his maximum price lower than the applicable pricing method allows, or (2) in cases where a change in the regulation changes the packer's applicable pricing method, or (3) in cases where the packer is refiguring uniform maximum delivered prices as required by Section 3 (k).

If the packer is disclosing a price lower than the one he figured under Sec. 3, he may establish the higher, figured price as his maximum price at the time of disclosure only by recording it and naming it as such, in ink on his books, before he discloses the lower price. A packer who has not figured a price for an item, or has figured a price higher than the applicable pricing method allows, may not sell the item until he has established a maximum price for the item in accordance with the rules of this section.

#### Sec. 15 Compliance with the regulation.

(a) No selling or buying above maximum prices. Regardless of any contract or obligation, no person shall sell or deliver, or buy or receive in the course of trade, any item of frozen fruits, berries or vegetables, on and after June 16, 1943, at a price higher than the maximum price established for it by this regulation.

(b) Evasion. Nor shall any person evade a maximum price, directly or indirectly, whether by commission, service, transportation, or other charge or discount, premium or other privilege; by tying-agreement or other trade understanding; by any change of style of pack; by a business practice relating to grading, labeling, or packaging or in any other way. However, prices lower than the maximum price may be charged and paid.

(c) Enforcement. Any person violating a provision of this regulation is subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided by the Emergency Price Control Act of 1942, and amendments.

#### Sec. 16 General amendments.

Any person seeking a general modification of this regulation may file a petition for amendment in accordance with Revised Procedural Regulation No. 1, and amendments, issued by the Office of Price Administration.

This regulation shall become effective June 16, 1943.

## WANTED AND FOR SALE

### Machinery—Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

### FOR SALE

**244-S**—A-B 12-valve syruer and briner for No. 2 cans, good condition, equipped with head displacement valves. Will handle 150 cans per minute. Also suitable for filling juices.

**245-S**—Zastrow vertical high pressure retort, inside diameter 40 inches, height, 72 inches, complete with all instruments, eight baskets, overhead track and chain block.

**246-S**—Thirty-gallon stainless steel trunnion kettle with double motion tilting agitator, new and unused.

**247-S**—R. H. spiral conveyor 12 feet long, with right angle bevel gear drive, new and unused.

**248-S**—Flash pasteurizer for juice, special build, 19 one-inch tubes, 3½ feet long, all Stainless steel; complete unit on stand.

**249-S**—Hundred-gallon glass-lined tank, complete with side agitator, in perfect condition.

**250-S**—York No. 631120 homogenizer or viscolizer, 3 cylinders, 1-inch suction and discharge; complete on frame with 10 h.p. motor.

**251-S**—Paxton box nailing machine, originally made for orange packing boxes; complete, less motor.

### Mailing Lists Being Revised

Work is proceeding on the revision of the Association mailing lists to make them conform to the new postal regulations calling for the use of district numbers. This revision, which it is hoped will be accomplished at an early date, should expedite receipt of your mail (including the INFORMATION LETTER), from this office.

If you are in a city which has been zoned and have not yet returned to the Association the form which gives your postal district number, please do so at your early convenience.

## OCCUPATIONAL DEFERMENT LIMITED TO SIX MONTHS

### Employers Are Instructed by WMC to Include Men with Children on Replacement Schedules

Revised instructions to employers for the preparation of replacement schedules were issued June 15 by the Bureau of Selective Service of the War Manpower Commission, limiting to six months occupational deferment on July 1 of men between 18 and 25 who are not fathers, unless the job involved is exceptionally important to the war effort and extremely difficult to fill.

Employers also were instructed, for the first time, to include men with children on their replacement schedules filed on or after July 1, provided that no such man be scheduled for release before October 1.

These instructions are contained in two memorandums sent to all Selective Service State Headquarters and local boards. They are identified as Selective Service Local Board Memorandums Nos. 158 and 158-A. The latter is of major interest to employers of registrants and is entitled: "Instructions to Employers for Preparation of the Replacement Schedule."

Both memorandums give detailed instructions for the preparation and filing of a replacement schedule and the manning table upon which the schedule normally is based, and explain the purpose and the operation. Pertinent paragraphs from Memorandum No. 158-A, which give instructions for scheduling replacements read:

"Every man attaining the age of 18 and who has not attained the age of 25 on or before July 1, 1943, who is single or who is married without children must be scheduled for replacement during the 6-month period covered by the Replacement Schedule prepared pursuant to these instructions, unless (1) he has the highest skills or professional qualifications and is in a key or supervisory position or (2) he has demonstrated capacity for a certain assignment for which no replacement is available.

"Men with children will be listed on the Replacement List but no such man will be scheduled for release prior to October 1, 1943.

"In determining the order of listing on the Replacement List, certain factors should be considered:

"(a) Generally, those who will be replaced first will be those in occupations having the shortest training and replacement time. This factor, however, is subject to variation since employees in occupations having longer training times may be replaceable through hiring, transferring or upgrading. Due consideration should also be given to previous and existing periods

of deferment. In cases where employers are faced with the replacement of a large number of men in an occupation requiring a short time for training replacements, the employer may find it necessary to spread the replacement of such men over several months by scheduling a definite number each month as rapidly as replacements can be secured or trained, and absorbed in the plant.

"(b) Men with the earliest availability for military service according to Selective Service status will generally be scheduled for earliest replacement. Therefore, single men who are equally replaceable should be listed ahead of married men who are equally replaceable and, likewise, men from these groups should be listed ahead of men with children. If the schedule under consideration is a renewal of an existing schedule, it is advisable to list the single and married men by plant department or operating unit in exactly the same order as they were listed on the original schedule, followed in each department by the names of the men with children.

"(c) Considering the above factors, employees to be listed for replacement will be listed by order number with the lowest order number first. Thus registrants with equal or comparable replaceability and with equal Selective Service status will be listed on the Replacement List in accordance with order number. This will insure a system of replacement which will avoid discrimination since the Selective Service order numbers have been determined in an impartial manner."

## Army Recalls Lt. Col. Taylor From WFA Farm Labor Post

The War Food Administration announced June 15 that Lt. Col. Jay L. Taylor, Deputy Administrator in Charge of Farm Labor, had been recalled for special service with the Army, at the request of Assistant Secretary of War Patterson and Gen. Brehon Somervell. Col. Philip G. Bruton, who has been his assistant, will serve as acting director of the program.

In connection with the loss to WFA of the services of Lt. Col. Taylor, Administrator Chester C. Davis issued the following statement:

"At my request Lt. Col. Taylor was detailed by the U. S. Army to organize and head the farm labor division of the WFA. In nine weeks he had accomplished a great feat of organization here and in the field. The army is now recalling him for duty in another field in which he has specialized knowledge and experience."

## East Texas Cannery Organized

The East Texas Cannery Association was incorporated June 15 with the following officers: President, Jack W. Woldert, Tyler; first vice-president, W. A. Dorman, Tyler; second vice-president, John Tate Ogburn, Henderson; secretary-treasurer, Roy E. Smith, Tyler.

## BROWN SUBMITS STATEMENT TO BOREN SUBCOMMITTEE

### Disclaims Intention of OPA to Abolish The Use of Brand Names

Price Administrator Prentiss M. Brown, who was scheduled to appear before the Boren Subcommittee of the House Interstate Commerce Committee on Friday, submitted a statement in lieu of personal appearance. Following is a summary of this statement as prepared by the Office of Price Administration:

Price Administrator Prentiss M. Brown, in a statement prepared for a subcommittee on brand names and newsprint of the House Committee on Interstate and Foreign Commerce, flatly denied that "individual officials in OPA are out to use price control to change the American system of free enterprise."

"You know my background and my record well enough to know," he told the legislators, "that I could not tolerate such a situation for a moment. You can believe me, therefore, when I tell you that these charges are baseless. I know my staff and I know that they are interested in one job and one job alone—effective price control."

In explaining the relation of standards to price control, Mr. Brown pointed out that they serve two purposes. One is to make possible uniform dollars-and-cents ceiling prices by providing a description of the article to which the price is tied. The other is "They protect against deterioration in the quality of the article without corresponding reduction in price."

"Under peacetime conditions," he said, "the same play of competitive forces which keeps prices down and makes Government price control unnecessary, keeps quality standards high. Under wartime conditions of scarcity of goods and shortage of manpower, our competitive system tends to operate in reverse. Instead of keeping prices down and quality up, it raises prices and lowers quality.

"This is especially true in the field of consumer goods. In peacetime the competition to win consumer acceptance works to hold up quality standards on consumer goods. But in wartime, the consumer often has to accept anything that he can get at the store. That means that whenever some manufacturers begin to reduce quality, others are seriously handicapped unless

they do likewise. Too often general quality deterioration results.

"That is why wartime price control must set standards in the interest of business itself. Its task here is to translate into wartime regulations the peacetime price and quality standards already found in business life, and to supplement these standards wherever war conditions demand it.

"The charge is sometimes made," he said, "that placing standards in price regulations will result in a deadly uniformity of products. This fear is groundless. The standards used in price regulations . . . are based as closely as possible upon the standards that are already found in business life. They reflect, therefore, the variety of products being produced. Where this cannot be done fairly, where existing varieties do not lend themselves to classification, regulations in which prices are tied to standards cannot be issued, and are not."

The Price Administrator stated that of the 290 standards provisions which are in existing price regulations, no less than 159 are accepted trade categories. Of the 131 remaining standards, other Government agencies established 91. Only 41 of the total 290 were developed by OPA.

"Remember, too," he said, "that OPA standards are merely minimum standards. Any manufacturer is free to surpass these standards. If he can demonstrate measurably higher quality, we are always ready to consider the appropriateness of adding a new class bearing a higher price. In any event, the manufacturer remains free to benefit from the improvement of his product by increasing the volume of his sales. . . ."

Having said earlier in his statement that where a dollars-and-cents ceiling price is practicable, "it is overwhelmingly the most satisfactory form of price control," Mr. Brown cautioned: "What I have said should not be understood as implying that OPA proposes to establish dollars-and-cents prices tied to minimum quality standards throughout the whole range of consumer goods. On the contrary, there are substantial limitations upon any program materially more extensive than that which has already been undertaken and announced.

"The preparation of regulations establishing dollars-and-cents prices for prescribed classes of commodities and sellers is a laborious and time-consuming process," he explained. "Only a limited number of such regulations can be issued outside the field of industrial prices, and those regulations must be confined to commodities of importance in the cost of living. Apart from this, in the field of consumer goods, the multiplicity of types of commodities and sellers is often so great as to make fair classification, for the purpose of dollars-and-cents pricing, impossible."

However, the Price Administrator stated: "A clear case for dollars-and-cents pricing on the basis of prescribed quality standards exists whenever WPB or some other Government agency issues a simplification or standardization order. Commodities produced pursuant to such orders lend themselves to dollars-and-cents pricing. Moreover, they are usually new commodities, for which OPA has a definite duty to provide prices.

"Dollars-and-cents prices tied to standards set by other Government agencies have been established, for example, in the case of 'Victory Model' bicycles, new formula condensed soups, and in a number of other instances.

"How many dollars-and-cents price regulations will tie in to standards OPA issues in the future will largely depend on the scope and extent of the program of simplification and standardization of essential civilian goods which is undertaken by other Government agencies charged with the responsibility of assuring adequate civilian supply.

"The cautions and limitations I have expressed with regard to our policy on standards and pricing in consumer goods," the Price Administrator continued, "apply with even stronger force to our policy on grade labeling.

"To date we have only 29 regulations that require marking or labeling to show quality or grade. Among the 29, some actually require no more than the use of an undecorative letter or symbol to indicate that the product is a war model, or falls into some other standard category.

"The question of labeling," he stated, "does not arise until it is practicable to tie in prices in some way to quality standards. When uniform dollars-and-cents prices are fixed in terms of standards, some method must be used to tell the consumer what is the correct ceiling price of the article he buys. To know the correct ceiling price of the article under these circumstances, the consumer must know the quality for which the price is fixed. Grade labeling is merely one of the devices used to impart this information to the consumer. It is not a new device, for it has been used in peacetime for some commodities on a universal basis, and on an individual or voluntary basis for many others. The OPA has used grade labeling in a number of consumer goods regulations; in others, it has used other devices. For example, in canned fruits and vegetables, grade labeling is required only if the packer packs more than one grade under one brand. In all other cases, the brand name itself, together with the OPA commodity price lists, will provide the necessary information to the consumer.

"Some people have expressed fear," Mr. Brown said, "that the use of standards and grade labeling will compel established brand names to be discarded or impair their value. This fear rests

on no foundation of fact or experience. Let me say with all possible emphasis, that OPA has issued no price regulation, and contemplates none, which in any way requires that brand names be discontinued."

Confronting "the fear that the value of brand names will be lessened as a result of the use of standards or of labeling requirements," the Price Administrator said: "The charge is pure surmise. Evidence on the point, which is substantial, all goes to show the contrary. In Canada grade labeling of a large number of food products has been required for many years, but brand names prosper there as here. . . ."

"Many groups of businessmen who have voluntarily adopted grade labeling," he added, "have testified that it enhances the good will value of their brand names."

### School, Ship Certificate List Includes No Canned Foods

No canned foods are included in the official list of "set-aside" and "restricted" foods which authorized contract schools and ship operators may purchase under the certificate plan which became effective June 15, according to an announcement by the War Food Administration.

Contract schools are eligible to purchase the following foods under the certificate plan: Butter, cheese, rice, dried beans and peas, meats, dried fruit, dry skim milk, spices, cocoa products, tea, fats and oils, frozen desserts, and honey.

Contract ship operators are eligible to purchase the same foods, and in addition, dried and frozen eggs, concentrated citrus juices, dehydrated vegetables.

### New Recipe Booklet Issued

"Quantity Recipes Using Canned Foods" is the title of the new booklet released by the Home Economics Division. The recipes were developed for the Division under a grant given to a graduate student at the University of Washington, Seattle, Washington.

The recipes feature canned foods that are expected to be canned for the duration. The recipes are simple and require the minimum amount of rationed foods. The book will meet the increased demand for recipes of this type from industrial feeding groups, Red Cross canteen groups, schools and cafeterias.

Copies of the booklet are being sent to the industry this week. Additional copies are available upon request to the Home Economics Division.



## WAGE, PRICE PROBLEMS ARE STILL IN DISCUSSION STAGE

(Concluded from page 7721)

a letter to Judge Vinson protesting the program he had announced, and pointing out that responsibility for 1943 production has been taken out of the hands of the industry and is lodged with the Office of Economic Stabilization. This letter is reproduced on pages 7723-25.

OPA Administrator Brown returned to his office on Tuesday and that evening made an address to a meeting of the wholesale and retail food industry in which he stated that the heart of the food price control program is the establishment of community dollars-and-cents prices for every important element in the consumer's food budget, and that the Administration is determined to protect the cost of living and wage structure through the judicious use of government subsidies. He also stated that the OPA has abandoned all thought of substitution of margin control for the direct fixing of prices themselves.

## Two WPB Vice-Chairmen Named

War Production Board Chairman Donald M. Nelson, on June 15, announced the appointment of two vice-chairmen in WPB.

The appointments are those of Clinton S. Golden of Pittsburgh as Vice-Chairman for Manpower Liaison and of Joseph D. Keenan of Chicago as Vice-Chairman for Labor Production. They will report directly to Executive Vice-Chairman Charles E. Wilson.

It was also revealed that Mr. Nelson and War Manpower Chairman Paul V. McNutt have taken an unprecedented step to coordinate the work of their organizations. Mr. Golden will serve as vice-chairman of WMC as well as WPB.

Mr. Golden, who has been granted leave from his post as assistant to President Philip Murray of the United Steelworkers of America (CIO) has served on the WPB Labor Policy Committee and the War Manpower Commission's Labor-Management Committee.

Mr. Keenan, on leave from his post as Secretary of the Chicago Federation of Labor (AFL), has been a government official since June, 1940.

## Tax Instructions Issued

The Bureau of Internal Revenue announces that it is sending out specific instructions to employers regarding the withholding provisions of the current tax law. These detail the method of handling payrolls under the new tax provisions and include the various schedules covering different salaries and pay intervals. If not received, copies of the circular, designated Circular WT, may be obtained from your nearest Collector of Internal Revenue, along with Employee's Notice WT, which explains the withholding requirements to workers and is designed for posting on factory and office walls.

## Canners Authorized To Sell And Deliver Cucumber Pickles

Canners of cucumber pickles, under an authorization granted by the Office of Price Administration on June 12, may sell and deliver this product subject to a future determination of a price ceiling. OPA's action was taken by the issuance of Order 36 under Maximum Price Regulation 152 (Canned Vegetables). The order states:

"(a) Canners are authorized to sell and deliver canned fresh cucumber pickles under an agreement with the buyer in each case to adjust the selling price to conform with maximum prices to be established by the Office of Price Administration for the 1943 pack."

## Motor Controller Order Changed

To conserve critical materials and facilities used in the manufacture of electric motor controllers, Conservation Order L-250 was amended June 15 by the War Production Board. Among changes in the amended order was a provision restricting manufacturers of controllers from accepting any order for a controller or part unless the order bears a preference rating of AA-5 or higher. New controls also were placed on the amounts of copper and of stainless steel used in manufacturing controllers.

## Plans Announced To Increase Production of Oysters

Oyster production in the United States, which is now only half as large as it was 50 years ago, may have its downward trend reversed as the result of a new production program which has been submitted to State conservation officials and the oyster industry, Coordinator of Fisheries Harold L. Ickes announced June 13.

As a substitute for the present widespread system of free fishing, the plan contemplates a comprehensive system of State management of public oyster grounds, under which tongers and dredgers would be encouraged to practice oyster farming under State supervision. Details of the program were outlined to representatives of the industry by Dr. Paul S. Galtsoff, shellfish expert of the Fish and Wildlife Service, as follows:

The program outlined in detail to the Shellfisheries Association provides that the States should set aside separate areas for the production of seed and market oysters. Seed grounds should be closed to fishing, except for the purpose of transplanting seed to growing grounds under regulation. After the seed has been matured on the growing grounds, these would be opened to fishermen for harvesting, and a new crop planted. A daily catch limit per boat or a restriction on the number of boats is recommended to promote orderly marketing. Grounds would be planted in rotation, to be ready for harvesting in two, three, and four years. The States should modify the details of the plan in accordance with differing natural conditions in the various coastal areas.

## Lund Resigns From WPB

Chairman Donald M. Nelson on June 15 announced the resignation of Wendell Lund as Director of Labor Production Division, War Production Board.

Mr. Lund came to WPB as Director of the Labor Production Division in May, 1942, upon the resignation of Sidney Hillman. At the same time he was appointed to the original War Manpower Commission.

Under his direction the Division has served as a channel between WPB and the American Federation of Labor and Congress of Industrial Organizations and has handled questions of labor supply and productivity affecting WPB programs.